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See page 8
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NRO review(s) completed.

5 March 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Reorganization of Development Projects Division

1. Purpose: This memorandum contains my recommendation in general terms as to the manner in which the present Development Projects Division should be reorganized to conform to major changes in organization in the Agency. Specific regulations are being drafted to embody these recommendations and will be submitted for your approval in a few days. Accordingly, this memorandum does not require any formal action on your part but constitutes the results of my investigation of this matter conducted during my period as Acting Chief of DPD from 17 to 28 February in accordance with your memorandum of 16 February 1962.

2. Consultation: The conclusions expressed herein were arrived at following a conference with you on 20 February in which you provided guidance on this matter. They also reflect extensive consultation with the senior officers of the Development Projects Division and with the Deputy Director (Plans) and the Deputy Director (Research). These conclusions have been stated orally to and discussed with the Committee on Organization under the chairmanship of Mr. Lyman Kirkpatrick.

3. General Conclusions: In order to conform to the reorganization of the Agency, and more particularly the establishment of a Deputy Director (Research), the functions, personnel, and funds of the present Development Projects Division should be split into three components. One of these, hereinafter referred to as the Special Projects Division, should be under the direction of the DD/R and should have responsibility for specialized reconnaissance projects, including research and development and operational activities thereof, together with supporting activities, other special projects, and any other research and development work. A second component, hereinafter referred to as the Air Support Division, should be under the supervision of the DD/P and should have responsibility for all air activities conducted in support of the operations of the Clandestine Services, with the exception of certain responsibilities with respect

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- 2 -

4. Special Projects Versus Air Support: The basic principle reflected in the above conclusions is that the dividing line between the DD/R and the DD/P in this area should be so drawn as to assign certain complete projects, each including developmental as well as operational activities where appropriate, to each deputy and to avoid assigning certain responsibilities (e.g., development or support) with respect to a given project to one Deputy and other responsibilities with respect to the same project to the other. What is proposed is that the DD/R be responsible for special reconnaissance projects in their entirety including research and development, all aspects of operational management, and command (insofar as these functions are performed by the Agency) and that the DD/P should be given similarly comprehensive authority with respect to the selection, acquisition, improvement and modification, operation and management, and command of all resources of men and materiel carried on in support of CS operations. In short, it is proposed to draw a line between reconnaissance projects that are carried on as services of common concern to the whole intelligence community and the operation of conventional fixed wing aircraft in support of covert activities carried on by the area divisions. Acceptance of this principle permits a remarkably clear division of the DPD into two major pieces because the activities of that division have been largely organized along project lines at headquarters and have been compartmented along such lines in the field. There is thus an immediate and major advantage of administrative ease and cleanliness to be gained by making the division in this fashion. It is believed that it will leave the DD/R with a well staffed and self-contained operation but at the same time will leave the DD/P in full and unquestioned control of all the resources of men and materiel engaged in the support of his activities.

5. Research and Development Versus Operations: It has been alleged that a different principle of separation should be adopted whereby the DD/R would have responsibility for all research and development activities having to do with aircraft and other reconnaissance systems and the DD/P should have all operational responsibilities. I cannot over-emphasize my conviction that this course of action would be unwise for a number of reasons. To begin with, as implied above, it would require a complex split within a number of the subcomponents of DPD instead of permitting a clear-cut split between subcomponents. A more basic objection is that it would create a vastly more complex interface between the personnel and activities under the DD/R and those under the DD/P. At every step the DD/P would be dependent on the DD/R for research and development, while the components under the DD/R would have to look to components under the DD/P^{25X1} for guidance on the precise details of operational needs. The man who was carrying out the development of a [redacted] would report to one Deputy and the officer who was going to be responsible in the

- 3 -

25X1 field for conducting these [] and who would have his own ideas about the
25X1 way in which the [] would be responsible to another.
On an exalted plane, the senior officers responsible for the development of a
reconnaissance aircraft would be completely separated administratively from
those who were going to be responsible for its operation. I believe one of the
great lessons of the U-2 project was that the most intimate possible administrative
marriage of research and development and operations is essential if the develop-
ment process is to be both swift and at the same time responsive to operational
needs. It is a source of vast strength in the current and past organization of
DPD that developmental, support, and operational elements were brought under
common command at a level well below that of a Deputy Director. This is the
essence of "project" organization as distinguished from "functional" organization.
Not only was it the secret of success in the U-2 project in the Agency but it has
been adopted for SAMOS and other similar projects in the Department of Defense.
To depart from this principle would, in my view, be to throw away the major
managerial achievement of the Agency in this whole area.

- 4 -

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7. Specific Recommendations: The general recommendations and philosophy set forth above give rise to the following specific recommendations.

a. The Special Projects Division under the DD/R should include responsibility for:

- (1) Agency participation in CORONA and in other satellite systems.
- (2) OXCART.
- (3) IDEALIST (the Agency U-2 operations).

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Approved For Release 2005/04/22 : CIA-RDP85B00803R000100150058-5

- 6 -

e. The funds presently allocated to DPD should be divided among the three components. With the exception of two items for which releases can legitimately be sought from the Reserve, the funds presently allocated to DPD are sufficient to meet unforeseen commitments for the current fiscal year. On the basis of the proposed split, the Special Projects Division, which would have much the largest part of the budget (because it includes OXCART), would have an apparent surplus [] while the Air Support Division would have a small indicated deficit of about the same magnitude. This is considered proper in view of the fact that the Air Support Division funds can be supplemented from other sources available to the DD/P and that the magnitude involved in the Special Projects Division budget is larger, more subject to fluctuation and less controllable than the funds in the Air Support Division budget.

f. Attachment A gives a proposed detailed breakdown of personnel within the three components. Attachment B presents the proposed detailed split of the DPD fund allocation.

8. Concurrences: It is my understanding that the DD/P and the DD/R generally concur in the arrangements outlined in this paper. It has been pointed out that one reconnaissance activity [] was historically under the DD/P at a time when other reconnaissance activities were under the Development Projects Division. It is my view that, if there were reason for so doing, the placement of this activity in the Air Support Division, rather than in the Special Projects Division as above recommended, would create no serious administrative problem. On the other hand, I feel that the considerations set forth above support the desirability of placing it in the Special Projects Division, especially as the more important considerations likely to arise concerning this activity in the future have to do with (a) improving [] to permit continued safe operation and (b) a radical improvement in the present arrangements for analysis of the ELINT take from this intelligence collection operation. Leaving aside this comparatively unimportant question [] the above outlined arrangements reflect the views of the DD/P, the DD/R, AC/DPD (Colonel Beerli), C/DODS [] and myself.

9. The National Reconnaissance Office (NRO): These views concerning the reorganization of DPD have been presented without examining the prospective relationship of the Agency to the Department of Defense in the whole field of reconnaissance or the future of the so-called NRO. This is possible because it is perfectly clear that those responsibilities of the Agency

- 7 -

that are within the purview of the NRO, whatever they may turn out to be, will be those of the DD/R and not of the DD/P. Accordingly, the internal re-organization here proposed can proceed without awaiting a clearer determination as to the division of functions between the two agencies or as to the manner in which the NRO is to be organized. Nevertheless, I wish to state (or more accurately restate) briefly but in the most emphatic terms certain views with respect to that relationship.

a. For reasons stated in paragraph 4 above, I believe it is vital, if the integrity of the OXCART program is to be maintained, that the Agency retain full command and control over all aspects of that activity throughout, or at least well into, its operational phase. A determination at this time that SAC was to have operational responsibility would, in my view, bring no added competence to bear on the operational problems beyond that presently available, but it would justify and invite far greater Air Force participation in the development process. As to the operational phase itself, an assumption that has underlain this program from the start is that it would be conducted covertly in the same sense as the U-2 activities. This was in practice interpreted to mean that all elements of the military establishment should be in a position to deny responsibility for illegal overflight activities and that every effort should be made to render the operation in fact a nonmilitary one. I cannot too strongly recommend that Agency control of all aspects of the project be reaffirmed at this time and that any consideration of turning over responsibility for operations be deferred at least for several years.

b. With respect to the satellite reconnaissance development activities, I am inclined to accept the logic of the view that each satellite system including payloads should be developed as a system with the kind of project organization herein recommended for OXCART. If this view is valid, it implies that the Agency will have little future participation in the supervision of research and development on satellite system payloads, since the Agency's responsibilities as presently understood and agreed do not extend beyond CORONA.

c. With respect to satellite operations, the Agency's most important operational role has been in the process of mission planning which is the basis for decisions concerning the date and time of launch, inclination, camera on and off commands to the

- 8 -

vehicle, and the time of recovery. Pragmatically, I believe it will be difficult for the Agency to assert a right to the exercise of these responsibilities after the CORONA (including MURAL) series is completed. If this is the case, I suggest the wisdom of opening negotiations with the Air Force at this time for the creation of a control room in the Pentagon to be staffed by the Department of Defense and the CIA jointly when satellite reconnaissance missions are in progress.

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d. As to the NRO, I am inclined to believe that it may serve a useful purpose to leave the present arrangement in effect, and perhaps even to give it more substance by assigning one or two CIA officers to Dr. Charyk's office and vice versa. From the Agency's point of view, this legal fiction serves to formalize the Agency's interest in certain Department of Defense projects and that of the Department of Defense in at least one major Agency project. As such, it encourages and gives appropriate status to the participation of the DD/R in certain Department of Defense planning and of Dr. Charyk (in his capacity as Special Assistant/Reconnaissance to the Secretary of Defense) in certain Agency planning. This seems to be a desirable result for which no price will have to be paid. On the other hand, I believe there would be real dangers in any effort to embody the NRO concept in elaborate formal regulations. I would urge that the DD/R in due time seek agreement with Dr. Charyk to leave the arrangement a loose and informal one and that the DCI seek the support of Dr. Killian and of General Taylor for the maintenance of this state of affairs.

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RICHARD M. BISSELL, JR.

Attachments - As stated above

cc: DD/R
DD/P
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Next 2 Page(s) In Document Exempt

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